



Export Express

Insights to Accelerate International Expansion



Our Mission: Help Manufacturers “Spend time **Selling** to Distributors versus **Searching** for Distributors”

Looking for New Distributors?

How about 9,300? Export Solutions’ distributor database has helped 3,000 brand owners in 14 years speed up the process of finding qualified distributors. Our database covers an average of 85 distributors per country of supermarket type products for 96 countries. Search by country, category, brand name, or country of origin. Experts for Europe, Middle East, Latin America, and Asia with complete regional coverage. “Spend time *selling* to distributors versus *searching* for distributors.”

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Export Journey: SMCG to FMCG

Good Neighbor, Great Customer



Frustrated by international shipping issues? Look next door to Canada. Canada purchased \$25 billion of USA agricultural products in 2021, a 12% increase versus 2020. Ninety percent of Canada’s population lives within 100 miles of the USA border, less than a one-day truck delivery from northern USA distribution centers. The USMCA was approved in 2020 to replace NAFTA and facilitate trade between USA, Canada, and Mexico. Canada’s GDP ranks tenth in the world, larger than Russia, Spain, or Australia. Companies looking to expand their international business should consider Canada a friendly neighbor and a growing country approaching 39 million people.

Opportunity Gap

Most USA and European companies market their brands to Canada today. A simple benchmark is the 10% rule. USA brands should measure their Canadian success in terms of sales per capita versus the USA. Companies achieving results in Canada at 10% of the USA are performing in line with market potential. However, a deep analysis typically reveals that the Canadian business is underdeveloped, with Canada sales penetration at 30-50% of the USA. Asian and European brands also perform well, as Canadian newcomers are often “first generation,” still homesick for their favorite brands.

Good Neighbor, Great Customer

One Country: Five Regions

Canada is the world's second largest country, stretching almost 4,700 miles. Ontario is a multicultural province. Toronto is a global city, like New York, hosting citizens with roots in Italy, the UK, and Asia. Quebec maintains strong cultural ties to France. On the west coast, Vancouver is an energetic gateway with many Asians and sharing similarities with the USA's Pacific Northwest region. The Prairie provinces of oil-rich Alberta plus Manitoba and Saskatchewan feature similar characteristics to the Great Plains states of the USA. All are proudly Canadian, but maintain regional lifestyle and food habits impacting our industry.

3 Chains: 39 Banners

Loblaws, Sobey's, and Metro dominate the supermarket channel. All three serve as retailers and wholesalers serving multiple banners, channels, and formats. For example, the Loblaws banner covers only 59 stores, primarily in the Toronto area, while their No Frills price-impact format features 274 stores across multiple provinces. Costco and Walmart dominate their channels featuring a mix of Canadian brands and international favorites.

Success Stories

Many companies look to Canada as a top country for export sales. This includes multinationals such as General Mills, Campbell's, and Smuckers, as well as other icons such as Bob's Red Mill, Tabasco, and Bush Beans. The common ingredients are strong key account management, winning the shelf battle at regional banners and investment in retailer activation programs.

	Sales*	Banners	Stores
Loblaws	41	17	2,439
Sobeys	23	13	1,970
Metro	14	9	1,612
Costco	30	1	106
Walmart	23	1	408
*billions of US\$, includes drug stores			

Distributor vs. Broker

There are several route to market models available in Canada. There are a wide variety of specialist importer/distributors plus North American style food brokers. Other hybrid models include formation of a small direct key account sales team, with financial and logistics services provided by an expert like Thomas, Large & Singer. All models can succeed, but best practices involve having at least one employee on the ground in Toronto (or Montreal) to manage the business from the Canadian side of the border.

Currency & Compliance

Today, one Canadian dollar is valued at US 77 cents. This falls within a historical range. However, all must pay close attention as the exchange rates have fluctuated between .69 to Canadian 1.03. There have been examples of companies suffering when not aligning pricing with currency movement. Canada requires bi-lingual labels. The US FDA and the Canadian CFIA and Health Canada recognize that each organization maintains comparable health safety systems. Labeling requirements are not identical, but most companies are able to align to Canada standards.

Export Solutions Can Help!

Our distributor database supplies information on 205 Canadian distributors across all category specialties and core provinces. We also track 76 retail and foodservice brokers. As noted, there are many customers beyond the top five. Our retailer database covers 95 Canadian retail banners, including 17 supplied by Loblaws, 13 from Sobeys, and 9 Metro banners. We have completed more than ten route to market and business development consultancy projects, making Canada an area of core competency.

Canada: Export Hero

Many companies are frustrated by the surging costs of containers and challenges of marketing premium products to emerging countries. We all market to Canada, but many companies may generate a higher return on resource investment here versus chasing far flung markets. Canada is not easy, but represents a growing country, with a diverse food culture, open to innovative brands from the USA, Asia, and Europe. Plus a visit to Canada allows you to meet nice people, visit Niagara Falls, and enjoy a doughnut at Tim Horton's. Good luck!

Export Solutions Can Help!

- Distributor Search helper in 96 countries

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